

RESOLUTION NO. 23-09-016

SPONSORED BY: Commissioners Mike Akard, Misty Davis, Nick Bright and Brad Bowers

A RESOLUTION FOR A FORENSIC AUDIT OF BLOUNT MEMORIAL HOSPITAL, INC. FINANCIAL ACCOUNTS

- WHEREAS,** a number of financial questions have come up as a result of recent comments made by current management team administrative members of Blount Memorial Hospital; and
- WHEREAS,** Blount Memorial Hospital and all of its assets are owned by the citizens of Blount County, Tennessee as created by private act in 1945; and
- WHEREAS,** Tennessee State House of Representatives, Tennessee State Senate, Governor of Great State of Tennessee, and the Blount County Commission have recently clarified that Blount Memorial Hospital and all of its assets are indeed owned by the citizens of Blount County; and
- WHEREAS,** Blount Memorial Hospital has just experienced an annual loss of more than \$11,000,000.00 (its second worst year ever) on the heels of multiple major economic losses placing its financial survival as a major concern among commissioners looking after the economic best interests of the citizens of Blount County they have been elected to represent; and
- WHEREAS,** Blount Memorial Hospital has been in default of bond covenants for past 18 months putting additional assets and credit rating at risk for Blount County; and
- WHEREAS,** Blount Memorial Hospital's managing non-profit corporation (BMH, Inc.) has defiantly stood in the way by refusing to seat duly appointed Board of Directors as legally appointed by Blount County Commission in accordance with Blount Memorial Hospital bylaws; and
- WHEREAS,** BMH, Inc. has been actively pursuing the sale of Blount Memorial Hospital's assets outside of Tennessee state laws as spelled-out in Tennessee Code Annotated listings; and
- WHEREAS,** there has been an ongoing effort to prevent transparency and no corrective plan of action made public to protect the assets of Blount Memorial Hospital belonging to the citizens of Blount County; and
- WHEREAS,** given the ongoing effort to avoid transparency creates the appearance of impropriety, a proper independent forensic audit of all financial accounts is in the best interests of the citizens of Blount County and for Blount County Commission to do its due diligence to protect the citizens of Blount County from undue economic loss; and
- WHEREAS,** delay of a proper independent complete forensic audit places unknown additional risk of financial loss in question given the major losses of late and the ongoing proven inability of BMH, Inc. to return to profitability despite repeated public statements that the hospital is "doing better".

NOW, THEREFORE, BE IT RESOLVED by the Legislative Body of Blount County, Tennessee, meeting in regular session on this ____ day of _____ 20__, demands an independent complete forensic audit of all financial accounts concerning Blount Memorial Hospital and its non-profit management team BMH, Inc. to commence immediately without delay.

Duly authorized and approved the ____ of _____ 20__.

CERTIFICATION OF ACTION

ATTEST

Commission Chairman

County Clerk

Approved____

Vetoed____

County Mayor

Date